

**Senator Beverly Ann Evans** proposes the following substitute bill:

**OIL AND GAS RELATED TAXES AND FEES**

2004 GENERAL SESSION

STATE OF UTAH

**Sponsor: Beverly Ann Evans**

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**LONG TITLE**

**General Description:**

This bill amends provisions related to fees and severance taxes imposed on oil and gas.

**Highlighted Provisions:**

This bill:

- ▶ addresses how a fee on oil and gas is calculated;
- ▶ modifies definition provisions; and
- ▶ addresses the imposition of the severance tax on oil and gas including:
  - how the severance tax is calculated;
  - the valuation of oil and gas for severance tax purposes; and
  - the filing of required statements.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill has retrospective operation to January 1, 2004.

**Utah Code Sections Affected:**

AMENDS:

**40-6-14**, as last amended by Chapter 274, Laws of Utah 2003

**59-5-101**, as last amended by Chapter 271, Laws of Utah 1996

**59-5-102**, as last amended by Chapters 273 and 274, Laws of Utah 2003



26 **59-5-104**, as last amended by Chapter 341, Laws of Utah 1995

27 ENACTS:

28 **59-5-103.1**, Utah Code Annotated 1953

29 REPEALS:

30 **59-5-103**, as last amended by Chapter 247, Laws of Utah 1990

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32 *Be it enacted by the Legislature of the state of Utah:*

33 Section 1. Section **40-6-14** is amended to read:

34 **40-6-14. Fee on oil and gas -- Payment of fee -- Collection -- Penalty and interest**  
35 **on delinquencies -- Payment when product taken in-kind -- Interests exempt.**

36 (1) (a) There is levied a fee [~~of .002 of the value at the well of oil and gas: (a)~~] as  
37 provided in Subsection (1)(b) for oil and gas:

38 (i) produced; and

39 (ii) (A) saved;

40 ~~[(b)]~~ (B) sold; or

41 ~~[(c)]~~ (C) transported from the [premises] field in Utah where the oil or gas is produced.

42 (b) The fee imposed under this Subsection (1) is equal to the product of:

43 (i) .002; and

44 (ii) the value of the oil or gas determined in accordance with Section 59-5-103.

45 (2) (a) The State Tax Commission shall administer the collection of the fee, including  
46 any penalties and interest.

47 (b) The monies collected shall be deposited in the Oil and Gas Conservation Account  
48 created in Section 40-6-14.5.

49 (c) Time periods for the State Tax Commission to allow a refund or assess the fee shall  
50 be determined in accordance with Section 59-5-114.

51 (3) (a) Each person having an ownership interest in oil or gas at the time of production  
52 shall be liable for a proportionate share of the fee equivalent to ~~[his]~~ that person's ownership  
53 interest.

54 (b) As used in this section "ownership interest" means any:

55 (i) working interest;

56 (ii) royalty interest;

57 (iii) interest in payments out of production; or  
58 (iv) any other interest in the oil or gas, or in the proceeds of the oil or gas, subject to  
59 the fee.

60 (4) (a) The operator, on behalf of the operator and any person having an ownership  
61 interest in the oil or gas, shall pay the fee to the State Tax Commission:

62 (i) quarterly; and  
63 (ii) as provided in Subsections (4)(b) and (c).

64 (b) For purposes of Subsection (4)(a), the quarterly fee payments are due as follows:

65 (i) for the quarter beginning on January 1 and ending on March 31, on or before June 1;

66 (ii) for the quarter beginning on April 1 and ending on June 30, on or before September  
67 1;

68 (iii) for the quarter beginning on July 1 and ending on September 30, on or before  
69 December 1; and

70 (iv) for the quarter beginning on October 1 and ending on December 31, on or before  
71 March 1 of the next year.

72 (c) The fee required by this section shall be reported to the State Tax Commission on  
73 forms provided by the State Tax Commission.

74 (5) (a) Any fee not paid within the time specified shall:

75 (i) carry a penalty as provided in Section 59-1-401; and

76 (ii) bear interest at the rate and in the manner prescribed in Section 59-1-402.

77 (b) (i) The fee, together with the interest, shall be a lien upon the oil or gas against  
78 which the fee and interest are levied.

79 (ii) The operator shall deduct from any amounts due to the persons owning an interest  
80 in the oil or gas, or in the proceeds at the time of production, a proportionate amount of the  
81 charge before making payment to the persons.

82 (6) (a) When product is taken in-kind by an interest owner who is not the operator and  
83 the operator cannot determine the value of the in-kind product, the operator shall:

84 (i) report 100% of the production;

85 (ii) deduct the product taken in-kind; and

86 (iii) pay the levy on the difference.

87 (b) The interest owner who takes the product in-kind shall file a report and pay the levy

88 on the interest owner's share of production excluded from the operator's report.

89 (7) This section shall apply to any interest in oil or gas produced in the state except:

90 (a) any interest of the United States;

91 (b) any interest of the state or a political subdivision of the state in any oil or gas or in  
92 the proceeds of the oil or gas;

93 (c) any interest of any Indian or Indian tribe in any oil or gas or in the proceeds  
94 produced from land subject to the supervision of the United States; or

95 (d) oil or gas used in producing or drilling operations or for repressuring or recycling  
96 purposes.

97 Section 2. Section **59-5-101** is amended to read:

98 **59-5-101. Definitions.**

99 As used in this part:

100 (1) "Board" means the Board of Oil, Gas and Mining created in Section 40-6-4.

101 (2) "Condensate" means those hydrocarbons, regardless of gravity, that occur naturally  
102 in the gaseous phase in the reservoir that are separated from the natural gas as liquids through  
103 the process of condensation either in the reservoir, in the wellbore, or at the surface in field  
104 separators.

105 (3) "Crude oil" means those hydrocarbons, regardless of gravity, that occur naturally in  
106 the liquid phase in the reservoir and are produced and recovered at the wellhead in liquid form.

107 [~~2~~] (4) "Development well" means any oil and gas producing well other than a  
108 wildcat well.

109 [~~3~~] (5) "Division" means the Division of Oil, Gas and Mining established under Title  
110 40, Chapter 6.

111 [~~4~~] (6) "Enhanced recovery project" means:

112 (a) the injection of liquids or hydrocarbon or nonhydrocarbon gases directly into a  
113 reservoir for the purpose of:

114 (i) augmenting reservoir energy[;];

115 (ii) modifying the properties of the fluids or gases in a reservoir[;]; or

116 (iii) changing the reservoir conditions to increase the recoverable oil, gas, or oil and  
117 gas through the joint use of two or more well bores; and

118 (b) a project initially approved by the board as a new or expanded enhanced recovery

119 project on or after January 1, 1996.

120 ~~[(5)]~~ (7) (a) "Gas" means:

121 (i) natural gas [or];

122 (ii) natural gas liquids; or

123 (iii) any mixture ~~[thereof, but]~~ of natural gas and natural gas liquids.

124 (b) "Gas" does not include solid hydrocarbons.

125 ~~[(a) "Natural gas" means those hydrocarbons, other than oil and other than natural gas~~  
126 ~~liquids separated from natural gas, that occur naturally in the gaseous phase in the reservoir and~~  
127 ~~are produced and recovered at the wellhead in gaseous form.]~~

128 ~~[(b) "Natural gas liquids" means those hydrocarbons initially in reservoir natural gas,~~  
129 ~~regardless of gravity, that are separated in gas processing plants from the natural gas as liquids~~  
130 ~~at the surface through the process of condensation, absorption, adsorption, or other methods.]~~

131 ~~[(6)]~~ (8) "Incremental production" means that part of production, certified by the  
132 Division of Oil, Gas and Mining, which is achieved from an enhanced recovery project that  
133 would not have economically occurred under the reservoir conditions existing before the  
134 project and that has been approved by the division as incremental production.

135 ~~[(7) "Net-back method" means a method for calculating the fair market value of oil or~~  
136 ~~gas at the well. Under this method, costs of transportation, not to exceed 50% of the value of~~  
137 ~~the oil or gas, and processing shall be deducted from the proceeds received for the oil or gas~~  
138 ~~and any extracted or processed products, or from the value of the oil or gas or any extracted or~~  
139 ~~processed products at the first point at which the fair-market value for those products is~~  
140 ~~determined by a sale pursuant to an arm's-length contract or comparison to other sales of those~~  
141 ~~products. Processing and transportation costs shall be deducted only from the value of the~~  
142 ~~processed or transported product.]~~

143 (9) "Natural gas" means those hydrocarbons, other than oil and other than natural gas  
144 liquids separated from natural gas, that occur naturally in the gaseous phase in the reservoir and  
145 are produced and recovered at the wellhead in gaseous form.

146 (10) "Natural gas liquids" means those hydrocarbons initially in reservoir natural gas,  
147 regardless of gravity, that are separated in gas processing plants from the natural gas as liquids  
148 at the surface through the process of condensation, absorption, adsorption, or other methods.

149 ~~[(8)]~~ (11) (a) "Oil" means:

- 150 (i) crude oil [or];
- 151 (ii) condensate; or
- 152 (iii) any mixture ~~[thereof, but]~~ of crude oil and condensate.

153 (b) "Oil" does not include solid hydrocarbons.

154 ~~[(a) "Crude oil" means those hydrocarbons, regardless of gravity, that occur naturally in~~  
155 ~~the liquid phase in the reservoir and are produced and recovered at the wellhead in liquid~~  
156 ~~form.]~~

157 ~~[(b) "Condensate" means those hydrocarbons, regardless of gravity, that occur naturally~~  
158 ~~in the gaseous phase in the reservoir that are separated from the natural gas as liquids through~~  
159 ~~the process of condensation either in the reservoir, in the wellbore, or at the surface in field~~  
160 ~~separators.]~~

161 ~~[(9)]~~ (12) "Oil or gas field" means a geographical area overlying oil or gas structures.  
162 The boundaries of oil or gas fields shall conform with the boundaries as fixed by the Board and  
163 Division of Oil, Gas and Mining under Title 40, Chapter 6[-]. Board and Division of Oil, Gas  
164 and Mining.

165 (13) "Operator" means any person engaged in the business of operating an oil or gas  
166 well, regardless of whether the person is:

- 167 (a) a working interest owner;
- 168 (b) an independent contractor; or
- 169 (c) acting in a capacity similar to Subsection (13)(a) or (b) as determined by the  
170 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative  
171 Rulemaking Act.

172 ~~[(10)]~~ (14) "Owner" means any person having a working interest, royalty interest,  
173 payment out of production, or any other interest in the oil or gas produced or extracted from an  
174 oil or gas well in the state, or in the proceeds of this production.

175 ~~[(11) "Processing"]~~ (15) (a) Subject to Subsections (15)(b) and (c), "processing costs"  
176 means the reasonable actual costs of processing ~~[gas. Processing costs determined by]~~ natural  
177 gas to remove:

- 178 (i) natural gas liquids; or
- 179 (ii) contaminants.
- 180 (b) If processing costs are determined on the basis of an arm's-length contract [are],

181 processing costs are the actual costs. [~~Where processing costs are not determined by]~~  
182 (c) (i) If processing costs are determined on a basis other than an arm's-length contract,  
183 [~~including those situations where the producer performs the processing for himself, the actual~~  
184 ~~costs of processing shall be]~~ processing costs are those reasonable costs associated with [~~the~~];  
185 (A) actual operating and maintenance expenses, including gas used or consumed in  
186 processing;  
187 (B) overhead directly attributable and allocable to the operation and maintenance[;];  
188 and [~~either~~]  
189 (C) (I) depreciation and a return on undepreciated capital investment[;]; or  
190 (II) a cost equal to a return on the investment in the processing facilities as determined  
191 by the [tax] commission. [~~The tax commission shall adopt rules to implement this definition,~~  
192 ~~and may adopt federal regulations where applicable.]~~  
193 (ii) Subsection (15)(c)(i) includes situations where the producer performs the  
194 processing for the producer's product.  
195 [~~(12)~~] (16) "Producer" means any working interest owner in any lands in any oil or gas  
196 field from which gas or oil is produced.  
197 [~~(13)~~] (17) "Recompletion" means any downhole operation that is:  
198 (a) conducted to reestablish the producibility or serviceability of a well in any geologic  
199 interval; and  
200 (b) approved by the division as a recompletion.  
201 [~~(14)~~] (18) "Royalty interest owner" means the owner of an interest in oil or gas, or in  
202 the proceeds of production from the oil or gas who does not have the obligation to share in the  
203 expenses of developing and operating the property.  
204 [~~(15)~~] (19) "Solid hydrocarbons" means:  
205 (i) coal[;];  
206 (ii) gilsonite[;];  
207 (iii) ozocerite[;];  
208 (iv) elaterite[;];  
209 (v) oil shale[;];  
210 (vi) tar sands[;]; and  
211 (vii) all other hydrocarbon substances that occur naturally in solid form.

212 ~~[(16)]~~ (20) "Stripper well" means:

213 (a) an oil well whose average daily production for the days the well has produced has  
214 been 20 barrels or less of crude oil a day during any consecutive 12-month period; or

215 (b) a gas well whose average daily production for the days the well has produced has  
216 been 60 MCF or less of natural gas a day during any consecutive 90-day period.

217 ~~[(17) "Transportation"]~~ (21) (a) Subject to Subsections (21)(b) and (c), "transportation  
218 costs" means the reasonable actual costs of transporting oil or gas products from the well to the  
219 point of sale ~~[except the transportation allowance deduction may not exceed 50% of the value  
220 of the oil or gas. Transportation costs determined by]~~.

221 (b) If transportation costs are determined on the basis of an arm's-length contract,  
222 transportation costs are the actual costs. ~~[Where transportation costs are not determined by]~~

223 (c) (i) If transportation costs are determined on a basis other than an arm's-length  
224 contract, ~~[including those situations where the producer performs the transportation service for~~  
225 ~~himself, the actual costs of transportation shall be]~~, transportation costs are those reasonable  
226 costs associated with ~~[the]~~:

227 (A) actual operating and maintenance expenses, including fuel used or consumed in  
228 transporting the oil or gas;

229 (B) overhead costs directly attributable and allocable to the operation and  
230 maintenance; and ~~[either]~~

231 (C) depreciation and a return on undepreciated capital investment, ~~[or a cost equal to a~~  
232 ~~return on the investment in the transportation system as determined by the commission. The~~  
233 ~~tax commission shall adopt rules to implement this definition, and may adopt federal~~  
234 ~~regulations where applicable]~~.

235 (ii) Subsection (23)(c)(i) includes situations where the producer performs the  
236 transportation for the producer's product.

237 (d) Regardless of whether transportation costs are determined on the basis of an arm's  
238 length contract or a basis other than an arm's length contract, transportation costs include:

239 (i) carbon dioxide removal;

240 (ii) compression;

241 (iii) dehydration;

242 (iv) gathering;



243 (v) separating;  
 244 (vi) treating; or  
 245 (vii) a process similar to Subsections (21)(d)(i) through (vi), as determined by the  
 246 commission by rule made in accordance with Title 63, Chapter 46a, Utah Administrative  
 247 Rulemaking Act.

248 ~~[(18)]~~ (22) "Tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.

249 ~~[(19) "Value at the well" means the value of oil or gas at the point production is~~  
 250 ~~completed.]~~

251 ~~[(20)]~~ (23) "Well or wells" means any extractive means from which oil or gas is  
 252 produced or extracted, located within an oil or gas field, and operated by one person.

253 ~~[(21)]~~ (24) "Wildcat well" means an oil and gas producing well which is drilled and  
 254 completed in a pool, as defined under Section 40-6-2, in which a well has not been previously  
 255 completed as a well capable of producing in commercial quantities.

256 ~~[(22)]~~ (25) "Working interest owner" means the owner of an interest in oil or gas  
 257 burdened with a share of the expenses of developing and operating the property.

258 ~~[(23)]~~ (26) (a) "Workover" means any downhole operation that is:

259 (i) conducted to sustain, restore, or increase the producibility or serviceability of a well  
 260 in the geologic intervals in which the well is currently completed; and

261 (ii) approved by the division as a workover.

262 (b) "Workover" does not include operations that are conducted primarily as routine  
 263 maintenance or to replace worn or damaged equipment.

264 Section 3. Section **59-5-102** is amended to read:

265 **59-5-102. Severance tax -- Rate -- Computation -- Annual exemption -- Tax credit**  
 266 **-- Deduction for processing costs and transportation costs -- Study by Tax Review**  
 267 **Commission.**

268 (1) ~~[(a)]~~ Each person owning an interest, working interest, royalty interest, payments  
 269 out of production, or any other interest, in oil or gas produced from a well in the state, or in the  
 270 proceeds of the production, shall pay to the state a severance tax on the basis of the value~~[-at~~  
 271 ~~the well,]~~ determined under Section 59-5-103 of the oil or gas:

272 (a) produced[-]; and

273 (b) (i) saved[-, and];

274           (ii) sold; or  
275           (iii) transported from the field where the substance was produced [as provided in this  
276 section].  
277           ~~[(b) Beginning January 1, 1992, the]~~  
278           (2) (a) The severance tax rate for oil is as follows:  
279           (i) 3% of the value of the oil up to and including the first \$13 per barrel for oil; and  
280           (ii) 5% of the value of the oil from \$13.01 and above per barrel for oil.  
281           ~~[(c) Beginning January 1, 1992, the]~~  
282           (b) The severance tax rate for natural gas is as follows:  
283           (i) 3% of the value of the natural gas up to and including the first \$1.50 per MCF for  
284 gas; and  
285           (ii) 5% of the value of the natural gas from \$1.51 and above per MCF for gas.  
286           ~~[(d) Beginning January 1, 1992, the]~~  
287           (c) The severance tax rate for natural gas liquids is 4% of the [taxable] value [for] of  
288 the natural gas liquids.  
289           ~~[(e) (3) If oil or gas is shipped outside the state:~~  
290           ~~[(f) (a) the shipment constitutes a sale; and~~  
291           ~~[(f) (b) the oil or gas is subject to the tax imposed by this section.~~  
292           ~~[(f) (4) (a) Except as provided in Subsection [(f) (4) (b)], if the oil or gas is~~  
293 stockpiled, the tax is not imposed until the oil or gas is:  
294           ~~[(A) (i) sold;~~  
295           ~~[(B) (ii) transported; or~~  
296           ~~[(C) (iii) delivered.~~  
297           ~~[(f) (b) Notwithstanding Subsection [(f) (4) (a)], if oil or gas is stockpiled for~~  
298 more than two years, the oil or gas is subject to the tax imposed by this section.  
299           ~~[(2) (5) A tax is not imposed under this section upon:~~  
300           (a) the first \$50,000 annually in gross value of each well or wells as defined in this  
301 part, to be prorated among the owners in proportion to their respective interests in the  
302 production or in the proceeds of the production;  
303           (b) stripper wells, unless the exemption prevents the severance tax from being treated  
304 as a deduction for federal tax purposes;

305 ~~[(c) the first six months of production for wells started after January 1, 1984, but before~~  
306 ~~January 1, 1990;]~~

307 ~~[(d)]~~ (c) the first 12 months of production for wildcat wells started after January 1,  
308 1990; or

309 ~~[(e)]~~ (d) the first six months of production for development wells started after January  
310 1, 1990.

311 ~~[(3)]~~ (6) (a) Subject to Subsections ~~[(3)]~~ (6)(b) and (c), a working interest owner who  
312 pays for all or part of the expenses of a recompletion or workover may claim a nonrefundable  
313 tax credit equal to 20% of the amount paid.

314 (b) The tax credit under Subsection ~~[(3)]~~ (6)(a) for each recompletion or workover may  
315 not exceed \$30,000 per well during each calendar year.

316 (c) If any amount of tax credit a taxpayer is allowed under this Subsection ~~[(3)]~~ (6)  
317 exceeds the taxpayer's tax liability under this part for the calendar year for which the taxpayer  
318 claims the tax credit, the amount of tax credit exceeding the taxpayer's tax liability for the  
319 calendar year may be carried forward for the next three calendar years.

320 ~~[(4)]~~ (7) A 50% reduction in the tax rate is imposed upon the incremental production  
321 achieved from an enhanced recovery project.

322 ~~[(5)]~~ (8) The taxes imposed by this section are:

323 (a) in addition to all other taxes provided by law; and

324 (b) delinquent, unless otherwise deferred, on June 1 next succeeding the calendar year  
325 when the oil or gas is:

326 (i) ~~[(A)]~~ produced; and

327 ~~[(B)]~~ (ii) (A) saved; ~~[and]~~

328 ~~[(C)]~~ (B) sold; or

329 ~~[(D)]~~ (C) transported from the ~~[premises]~~ field.

330 ~~[(6)]~~ (9) With respect to the tax imposed by this section on each owner of oil or gas or  
331 in the proceeds of the production of those substances produced in the state, each owner is liable  
332 for the tax in proportion to the owner's interest in the production or in the proceeds of the  
333 production.

334 ~~[(7)]~~ (10) The tax imposed by this section shall be reported and paid by each producer  
335 that takes oil or gas in kind pursuant to agreement on behalf of the producer and on behalf of

336 each owner entitled to participate in the oil or gas sold by the producer or transported by the  
337 producer from the field where the oil or gas is produced.

338 ~~[(8)]~~ (11) Each producer shall deduct the tax imposed by this section from the amounts  
339 due to other owners for the production or the proceeds of the production.

340 ~~[(9)]~~ (12) (a) The Tax Review Commission shall review the tax provided for in this  
341 part on or before the October 2008 interim meeting.

342 (b) The Tax Review Commission shall address in its review the following statutory  
343 provisions:

344 (i) the severance tax rate structure provided for in this section;

345 (ii) the exemptions provided for in Subsection ~~[(2)]~~ (5);

346 (iii) the tax credit provided for in Subsection ~~[(3)]~~ (6), including:

347 (A) the cost of the tax credit;

348 (B) the purpose and effectiveness of the tax credit; and

349 (C) whether the tax credit benefits the state;

350 (iv) the tax rate reduction provided for in Subsection ~~[(4)]~~ (7);

351 (v) other statutory provisions or issues as determined by the Tax Review Commission;

352 and

353 (vi) whether the statutory provisions the Tax Review Commission reviews under this  
354 Subsection ~~[(9)]~~ (12) should be:

355 (A) continued;

356 (B) modified; or

357 (C) repealed.

358 (c) The Tax Review Commission shall report its findings and recommendations  
359 regarding the tax provided for in this part to the Revenue and Taxation Interim Committee on  
360 or before the November 2008 interim meeting.

361 Section 4. Section **59-5-103.1** is enacted to read:

362 **59-5-103.1. Valuation of oil or gas -- Deductions.**

363 (1) (a) For purposes of the tax imposed under Section 59-5-102 and subject to  
364 Subsection (2), the value of oil or gas shall be determined at the first point closest to the well at  
365 which the fair market value for the oil or gas may be determined by:

366 (i) a sale pursuant to an arm's length contract; or

367 (ii) for a sale other than a sale described in Subsection (1)(a)(i), comparison to other  
 368 sales of oil or gas.

369 (b) For purposes of determining the fair market value of oil or gas under Subsection  
 370 (1), a person subject to a tax under Section 59-5-102 may deduct:

371 (i) processing costs from the value of:

372 (A) oil; or

373 (B) gas; and

374 (ii) (A) except as provided in Subsection (1)(b)(ii)(B), transportation costs from the  
 375 value of:

376 (I) oil; and

377 (II) gas; and

378 (B) notwithstanding Subsection (1)(b)(ii)(A), the deduction for transportation costs  
 379 may not exceed 50% of the value of the:

380 (I) oil; or

381 (II) gas.

382 (2) Subsection (1)(a)(ii) applies to a sale of oil or gas between:

383 (a) a parent company and a subsidiary company;

384 (b) companies wholly owned or partially owned by a common parent company; or

385 (c) companies otherwise affiliated.

386 Section 5. Section **59-5-104** is amended to read:

387 **59-5-104. Statements filed -- Contents -- Falsification as perjury.**

388 (1) (a) Every producer engaged in the production of oil or gas from any well or wells in  
 389 the state shall file with the commission, on or before June 1 of each year, on forms furnished by  
 390 the commission, a statement containing the ~~[following]~~ information required by Subsection  
 391 (1)(b) relating to the oil or gas;

392 (i) produced[;]; and

393 (ii) (A) saved[~~, and~~];

394 (B) sold; or

395 (C) transported from the [oil or gas] field where the oil or gas was produced during the  
 396 preceding calendar year[;].

397 (b) The statement required in Subsection (1)(a) shall include:

398            [~~(a)~~] (i) the name, description, and location of;  
399            (A) every well or wells; and  
400            (B) every field in which the well or wells are located;  
401            [~~(b)~~] (ii) the number of barrels of oil, the cubic feet of gas, and quantity of other  
402 hydrocarbon substances produced, including the percentage of production from lands held in  
403 trust by the United States for any federally recognized Indian tribe or its members;  
404            [~~(c)~~] (iii) the value of [~~this production at the well~~] the oil or gas; and  
405            [~~(d)~~] (iv) any other reasonable and necessary information required by the commission.  
406            (2) The statements or reports required to be filed with the commission shall be signed  
407 and sworn to by the producer or a designee.  
408            (3) Any willful false swearing as to the purported material facts set out in this report  
409 constitutes the crime of perjury and shall be punished as such under Title 76, Utah Criminal  
410 Code.

411            **Section 6. Repealer.**

412            This bill repeals:

413            Section **59-5-103, Valuation of oil or gas -- Alternatives -- Exceptions --**

414 **Controversies on value to be determined by commission.**

415            **Section 7. Retrospective operation.**

416            This bill has retrospective operation to January 1, 2004.